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FOREIGN SERVICE DESPATCH

FROM: American Embassy, Taipei

TO: THE DEPARTMENT OF STATE, WASHINGTON

REF:

For Dept. Use Only	ACTION	DEPT.
	REC'D	OTHER
	1-17	LCB-1 KSH-10 CIA-1 OSD-4 ARMY-6 NAVY-3 AIR-1

SUBJECT: Taiwanese Politics at Midsummer -- a Tour de Horizon with [REDACTED]

SUMMARY

The doldrums which normally overcome local political activity with the onset of summer heat have been somewhat offset this year by a variety of factors. The Provincial Assembly is due to convene in special session in August, local elections are to be held next year, the third-term issue engages the attentions of certain quarters and the forthcoming exchange of visits between President Eisenhower and Premier Khrushchev is being watched with interest by Taiwanese political leaders. This despatch sets forth the views on these issues and some others recently expressed to Embassy officers in private conversation by some influential Taiwanese politicians of differing political persuasions.

Although there is to be one more regular session of the Provincial Assembly before the next elections, most activity of interest is likely to be produced in the forthcoming special session which will debate certain further changes in the bill revising the local self-government regulations and will also take up and probably pass a resolution calling for a third term for President CHIANG. Following adjournment of the special session, the assemblymen will become increasingly preoccupied with their own campaign plans, especially as these may be affected by a recent KMT decision to permit greater independent representation in the next assembly. This preoccupation with personal political problems is expected to prevent the final regular session of the assembly from accomplishing much of significance. These developments, however, will not obscure Taiwanese interest in the effects that, in their view, could possibly be produced upon the domestic political situation by the exchange of visits between the American President and the Soviet Premier, which some of them welcome with gusto and others regard with suspicion and concern.

Views of Taiwanese KMT Supporter

On August 6, an Embassy officer talked at some length about provincial affairs with [REDACTED]

[REDACTED] a long-time stalwart of the Kuomintang, impresses the Embassy as a loyal party member, but one who, at the same time on many issues, reflects fairly accurately Taiwanese attitudes. The conversation took place in [REDACTED] office.

ALPeas
WJCunn

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EXCISE

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Special Provincial Assembly Session

referred to the announcement of a special session of the Taiwan Provincial Assembly scheduled for August 17 to September 4, and said it was deemed advisable in order to handle bills submitted in the spring session which had been held back for further study by assemblymen. Most interesting of these bills, according to is the bill revising the Local Self-Government Regulations, first submitted to the Assembly early last winter, and eventually passed during the spring session. The Executive Yuan has reviewed the bill and has sent it back to the Provincial Assembly suggesting a certain number of changes. Among the changes was the request that the shift of terms of office for hsien and city councilmen from three years (as required under the present regulations) to four years not be made. The Executive Yuan did not oppose changes in the length of terms (at present three years, but changed to four in the regulations as passed by the Assembly) for hsien magistrates and city mayors.

said an additional reason for the special session is that the assemblymen are expected to be preoccupied by maneuvering for the April, 1960, Assembly elections. said that the regular fall session would be moved up from the usual late November or early December opening date to October, but he thought little would be accomplished at that session by the preoccupied assemblymen.

Outlook for New Assembly

said he anticipated an increase in the number of independents in the Assembly to be elected next spring. According to the present Assembly contains 51 or 52 Kuomintang members, 2 Young China Party members, 1 Democratic Socialist and 11 or 12 independents. The Kuomintang Central Committee very recently issued a directive to the Provincial party branch stating that the current 78% Kuomintang membership of the Assembly is too high and it can be cut to 60%. information indicating this percentage is 70%, according to the Central Committee directive.)

The procedure to be used in order to reduce the Kuomintang participation will be to select seats for which "good" independent candidates are running and not contest that seat. For example, said if there are four seats allotted to a given hsien and there appears to be a good independent running in that area, the KMT will only put up three candidates.

also remarked that he did not think there would be any outstanding issues in the coming Assembly election campaigns. Most of the campaigning is expected to be based on the popularity of individual candidates and very little on party or other issues. In this respect, noted that the KMT Provincial assemblymen often stray from the party line in their Assembly voting and speeches. He characterized the members as strong individualists.

One issue

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One issue that most assemblymen find very irritating, according to [redacted] is the long-standing one involving the tendency of the Central Government to take too much money from local and provincial government revenues. He said that on paper the local governments have a great deal of free choice, but in actuality they are frustrated by the lack of funds for the local projects they desire. [redacted] remarked that even in the Japanese days revenues from such provincial enterprises as the wine and tobacco monopoly remained in the hands of the provincial government. 301(d)

Independent Views on Provincial Assembly

[redacted] now assemblyman [redacted] influential member of the non-KMT bloc in the Provincial Assembly. Wu is an infrequent and temperate speaker highly regarded by his political cohorts and respected by the administration and the KMT. [redacted] for his ability to fashion official policy statements in recent discussions.

[redacted] believes that the special session of the Provincial Assembly will, after some debate, unanimously adopt a resolution calling upon President Chiang to serve for a third term. During the last session of the Assembly the KMT bloc caucused on a proposal to introduce such a resolution, [redacted] said, but decided the matter should be referred to "higher levels" for decision since the caucus could not be sure such a resolution "would be pleasing to the President". The question eventually found its way to the Central Standing Committee of the KMT which ascertained that passage of such a resolution would be desirable and that unanimous adoption would be even better. Independent members of the Assembly, [redacted] said, are taking the position, which they may express in floor debate on the proposed resolution, that its adoption will show "a certain lack of respect for the President who has said he absolutely opposed amendment of the Constitution. How can he be expected to serve another term if the Constitution is not amended? Would not adoption of the resolution indicate that we are not showing proper respect for his wishes?" Raising these questions alone will, in [redacted] view, not be sufficient to prevent passage of the resolution. He implied that the opposition regards these questions as mere stalling tactics designed to let the KMT know that the independents do not entirely approve of President Chiang's continuation in office.

Disappointed That U.S. Has Not Publicly Adopted Position on Third Term

[redacted] was disappointed that the U.S. had not publicly adopted a position on the third-term issue. He assumed the U.S. would look upon the possibility of President Chiang succeeding himself with disfavor. He believed the U.S. should take a stand and he did not think much of the opinion that to do so would constitute interference in the internal affairs of the Republic of China. [redacted] is one of those politicians who would welcome direct political intervention here by the U.S. "You certainly have a lot of direct economic influence here and plenty of direct military influence, too. But you don't do anything politically. You ought to do something to see to it that things are made more democratic around here." [redacted] questioned whether it is in the President's own interest to remain in office. "The best thing he could do would be to quit. He's Tsung Ts'ai (Director General) of the KMT, which means he has full control of the Central Committee. The Executive Yuan never does anything without getting an okay from the Central Standing Committee, so he would still be able to run things."

Taiwanese

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From: Ambassador, Taipei

Taiwanese Views on Eisenhower-Khrushchev Exchange of Visits

██████████ said Taiwanese deplored the exchange of visits between President Eisenhower and Khrushchev on the grounds the U.S. might soften its views toward the Communists and make some arrangement which would leave Taiwan "defenseless".

██████████ said, however, that Taiwanese welcomed the news, since they are happy at anything that reduces the possibility they will be "blown to bits." He added the remark that "of course, the Government people here don't like the news, because they see it as a threat to their privileged position."

██████████ was anxious to express his genuine pleasure over the forthcoming exchange of visits between President Eisenhower and Premier Khrushchev. He devoted more than half an hour to discussing this "wonderful news". "We are all in favor of anything that will advance the cause of peace. We cannot afford a war in the first place. Last year when that fracas blew up over in Kinmen, a very profound effect was produced on our economy. Suppose it had been a full-scale war. The resources of this Province would be able to support a full-scale military operation for no more than a month or two at the most. Carrying out a military operation on the mainland would be unthinkable for this place unless the United States was willing to render full support, including troops." ██████████ clearly understood the U.S. was not going to become involved in any operation of this description and he thought that the GRC understood the fact too, which, therefore, led him to regard the present official line on counterattack and return to the mainland as "nonsense".

But, getting back to the visits again, ██████████ said he was confident they would lead to a great improvement in the world situation and to "peace", a word he used over and over again in this discussion. "I think that the people of the Soviet bloc want peace and I think that Nixon's visit definitely showed that. He was welcomed in Russia and in Poland. Those people acted like that because they know the United States stands for peace. I don't see how their political leaders can fail to acknowledge the fact. When people act like that, you just have to go along with them. Take me, for example. How could I possibly oppose peace, when none of the parents of this island even want their boys sent to Kinmen and Matsu, and still manage to be a political leader? They want peace and so do we."

The effect the exchange of visits was likely to produce upon the Chinese Communists did not appear to be a question to which ██████████ had given much consideration. He felt the Communists must necessarily follow the Soviet lead (he rather believes the people on the mainland must be in favor of peace, too); and he further believed that Peiping must be pretty well preoccupied with its own problems these days. "In fact", he said, "they really seem to be in dangerous trouble over there." For this latter reason he rather expected that the Chinese Communists would not bother Taiwan or the offshore islands in the foreseeable future, "despite all this propaganda about an imminent attack that's coming out in the press these days."

Local press comment on the exchange, in ██████████ opinion, did not accurately reflect the true feelings of the people. He had not seen the editorial carried in the August 5 Kung Lun Pao, normally considered the voice of Taiwanese political opinion, which was among the more bitter denunciations of the exchange. This made little difference

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difference to [redacted] because he took it for granted that nothing but denunciations could appear in the press.

Comments on the Joint Communiqué

[redacted] discoursed at some length in rather rambling fashion on the Joint Communiqué. He believed the GRC was paying lip service to the "not the use of force" clause contained therein. This opinion he based mainly on the fact that he observed little practical difference in policy or official pronouncements by the GRC since the communiqué was issued. He acknowledged that it did have the practical effect of preventing the GRC from taking the initiative in the use of force, but he did not feel that any liberalizing effect had been produced upon the local political atmosphere by issuance of the communiqué. This again led him back to the need for "the political reconstruction of Taiwan", in which he believed the U.S. should take an interest.

Desirability of More Taiwanese Going to U.S. on Leader Grants

[redacted] on his initiative brought up the subject of students and grantees going to the United States. He said he thought there ought to be a much greater proportion of Taiwanese (he prefers the word "Formosans") going to the United States on leader and other grants. He thought the ratio of mainlanders was much too high, and suggested that they might not be so interested in the development of Taiwan. [redacted] said there were only nine Taiwanese who went to the United States to study in the period of 1923 to 1929 and there were only a few after that until 1945. He said there were Taiwanese students now finishing college who had had a good background and who could be expected to return to Taiwan and contribute to its development.

When he was asked if he thought that nomination of more Taiwanese was likely to result in the Central Government's refusal to issue passports, he said, "no, the Central Government doesn't have too many people blacklisted. Of course, a person like LBI Chen is, but I would be able to pick out a lot of people who would not be prevented from leaving Taiwan."

For the Ambassador:

Alexander L. Peaslee
Alexander L. Peaslee
First Secretary of Embassy

* A Mainlander.

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